COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

New England Telephone and Telegraph Company, d/b/a Bell Atlantic-Massachusetts-Section 271 of the Telecommunications Act of 1996 Compliance Filing	)))))	D.T.E. 99-271

COMMENTS OF MCI WORLDCOM INC.
ON KPMG, LLP'S PROPOSED SCOPE CHANGE TO
THE BELL ATLANTIC OSS EVALUATION PROJECT MASTER TEST PLAN

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Pursuant to the Memorandum of Hearing Officers Carpino and Chin dated February 3, 2000, MCI WorldCom, Inc. ("MCI WorldCom") hereby submits its comments regarding the February 1, 2000 Proposed Scope Change (the "Proposed Scope Change") submitted by KPMG, LLP (KPMG"), in which KPMG seeks to modify the Bell Atlantic OSS Evaluation Project Master Test Plan ("Master Test Plan" or "MTP") by reducing the "time horizon for use transaction volume projection from eighteen months to six months."

Introduction

Section 1.1.2. of the Master Test Plan, entitled "Volume Performance Test," reads, in part, as follows:

> As in the NY test, the MA Volume Performance Test will be a comprehensive review of the capabilities, response times, intervals, and other compliance measures for Pre-order and Order elements of the [pre-order, ordering and provisioning] domain. This test will use projected transaction volumes for mid-year 2001, simulating normal, peak and stress volume conditions and coinciding with the RETAS performance test.

MTP at 25. The Master Test Plan thus holds out KPMG's New York volume performance test (the "New York Test") as the paradigm for a successful "comprehensive review" of Bell Atlantic's pre-order, ordering and provisioning Operation Support Systems ("OSS"). The transaction volumes for the New York Test were determined based on the commercial volumes that were then anticipated to exist eighteen months into the future. In other words, in the New York Test, Bell Atlantic-New York's ("BA-NY") systems were challenged with normal, peak and stress transaction volumes equivalent to what KPMG believed BA-NY would face one-and-one-half years after the New York market for local phone service had been opened up to robust competition. Following the New York model, the Master Test Plan established the same eighteen-month "time horizon" for the Massachusetts Volume Performance Test. The thrust of KPMG's Proposed Scope Change is to jettison the eighteen-month time horizon and instead base the test on six-month volumes. The result is that the Massachusetts Volume Performance Test will be made less rigorous than what the Master Test Plan presently calls for.

The notion of lowering the bar for any OSS test would be cause for concern even under the best of circumstances. Given the current competitive environment, however, KPMG's Proposed Scope Change is simply untenable. One need only look at current market conditions in New York to see that KPMG's Proposed Scope Change for Massachusetts testing is both literally and figuratively short-sighted. In sum, BA-NY's performance in processing transactions received from CLECs is abysmal, and there is every indication that the problems are volume driven. Indeed, BA-NY's performance has deteriorated to the point where only last week the president of BA-NY felt compelled to write an unsolicited letter to the Chairman of the New York Public Service Commission detailing the steps that BA-NY is taking to address the laundry list of OSS problems currently plaguing BA-NY.

The Bell Atlantic-caused problems in New York are severely inconveniencing consumers and adversely affecting competition. Because many of the same Bell Atlantic systems serve both New York and Massachusetts, the best way to ensure that Massachusetts consumers do not suffer the same fate is to have rigorous military-style testing that truly does evaluate whether the systems are capable of handling commercial volumes in a robust competitive environment. KPMG's Proposed Scope Change undermines that goal. The Department should thus reject the Proposed Scope Change and order that the "time horizon" for KPMG's Volume Performance Test remain at the eighteen-month mark, at the very least.

I. Market Conditions in New York Compel the Rejection of KPMG's Proposed Scope Change

The New York Test was first conceived in mid-1997. At that time, eighteen months down the road was December 1999. December 1999 has just come and gone, giving the Department of Telecommunications and Energy (the "Department") the perfect opportunity to assess the New York Test in light of actual commercial activity in New York one-and-one-half years after the test was first planned.

As of yesterday, February 9, 2000 -- barely a month after the FCC approved BA-NY's §271 application -- there were literally tens of thousands of MCI WorldCom order-related transactions missing-in-action somewhere in BA-NY's systems. These include:

- Over 33,000 Pending Acknowledgments that are past due (from September through February);

- Almost 16,000 Pending Confirmations that are past due (from September 1 through February 3); and

- Over 19,000 Pending Completions that are past due (from August 3 through February 3).

In other words, there are over thirty-three thousand orders sent by MCI WorldCom for which it has never received from Bell Atlantic any indication that Bell Atlantic actually received the order, and an additional thirty-five thousand orders that have disappeared after Bell Atlantic sent an acknowledgment indicating that the order was received. These are all transactions that directly impact MCI WorldCom's ability to service its customers. And unfortunately, those customers (and most likely other potential customers with whom they share their experiences) will likely draw the conclusion that MCI WorldCom is to blame for their troubles.

Moreover, MCI WorldCom will in the next few days be submitting to the Federal Communications Commission a declaration of MCI WorldCom's Senior Manager for LEC Interface Operations detailing the severe and systemic OSS problems that MCI WorldCom and its customers have endured in New York at the hands of Bell Atlantic. A copy of that declaration will be made available to the Department for consideration immediately upon its filing.

The problems that currently exist in New York are there despite the eighteen-month "time horizon" that KPMG used in formulating the New York Test. If anything, the lesson to be learned from New York is that KPMG's "time horizon" was not long enough. If there is to be any change at all to the "time horizon" for the Massachusetts OSS test, current market conditions in New

York warrant that it should be made longer rather than shorter, so that the test is made qualitatively more rigorous than in New York, not less so.

II. The Proposed Scope Change Provides No Justification for Altering the Master Test Plan

In its Proposed Scope Change, KPMG states that it "considers [the six month time horizon] to be more appropriate given the level of current commercial activity in BA-North and the availability of actual transaction data." It continues by noting that "the current competitive environment is generating upwards of 15,000 EDI, GUI and other interface preorder and order transactions per day." MCI WorldCom understands that to mean that the 15,000 transactions mentioned are specific to Massachusetts (and are therefore in addition to the local order volumes Bell Atlantic is processing from elsewhere).

If that is, in fact, the case, then the gist of KPMG's Proposed Scope Change can be boiled down to this: KPMG is fearful that Bell Atlantic's systems are incapable of handling the incrementally greater volumes of orders expected to exist in mid-year 2001 and is making the Volume Performance Test easier solely for the purpose of giving Bell Atlantic some hope of passing it. But making the test easier serves the interests of no one – not Bell Atlantic, not the CLECs and certainly not the consumers of Massachusetts. It is resoundingly decried as bad policy when school children are allowed to pass through an educational system that does not prepare them for becoming productive members of society. Likewise, there is no reason to believe that any good can possibly come if Bell Atlantic is permitted to "pass" an OSS test and yet be thoroughly unprepared for the transaction volumes associated with robust competition.

MCI WorldCom is also extremely wary of some of the other numbers set forth in KPMG's Proposed Scope Change. That is not to suggest that KPMG's calculations are not mathematically accurate. Rather, they are largely irrelevant to the issue at hand, and are included in an apparent attempt to make the scope of the proposed change look less dramatic than it really is. For example, the fact that "the total transaction volume to be processed by BA-MA using a six month time horizon represents an increase of 296% from NY" is of no significance whatsoever. As KPMG itself states in the Proposed Scope Change, there was "virtually no commercial activity" when KPMG was first testing OSS in New York. What is significant is that according to the Proposed Scope Change the total number of transactions to be tested will be reduced by almost 12%. Bell Atlantic's systems are *already* incapable of adequately processing orders. As such, the solution is not to make the test easier; the solution is for Bell Atlantic to take the time it needs to get its house in order. It has already taken a first step in that direction by delaying the start date of transaction testing. If Bell Atlantic needs additional time to ready its systems for the more rigorous test presently in the Master Test Plan, for the benefit of all concerned, it should take that time.

III. Test Orders Must Be Submitted Individually

The February 3, 2000 Memorandum from Hearing Officers Carpino and Chin states that the Proposed Scope Change "may affect the numbers of orders KPMG submits to Bell Atlantic in batches as opposed to orders submitted individually." That statement presumes that the test will be measuring both batch-processed and individually-processed orders. MCI WorldCom is squarely opposed to any reduction in the number of orders that are sent individually. In fact, it would be a mistake for KPMG to test batch-processed orders at all. To the extent KPMG plans to do batch-testing it should be directed by the Department to stop and instead refocus all of its testing efforts on individually processed orders.

The reason for this is simple. The File Transfer Protocol, or FTP, used to submit orders in batches is yesterday's technology, and even Bell Atlantic has advocated that it be abandoned. On Monday of this week, February 7, 2000, Bell Atlantic hosted a conference call in which it actively encouraged CLECs to build an "interactive agent" for the transfer of order information. The interactive agent technology of choice, known as "SSL 3," was the subject of extensive litigation before the New York PSC. MCI WorldCom successfully advocated for its adoption as the standard in New York. It is widely regarded as the standard throughout the world. Bell Atlantic is advocating its use. There is thus no reason for KPMG to run its tests with a technology that is commercially irrelevant.

Conclusion

When robust competition for local telephone service comes to Massachusetts, Bell Atlantic must be prepared to process total volumes that are incrementally greater than they are in New York today. Yet today Bell Atlantic cannot process correctly the volume of orders it is receiving from CLECs in New York. By lowering the standards in the Master Test Plan, KPMG will only ensure that Bell Atlantic's systems will not have been adequately tested, and that additional problems that impede competition and adversely affect consumers will have gone undetected. For all the foregoing reasons, the Department should reject KPMG's Proposed Scope Change.

Respectfully submitted,

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Dated: February 10, 2000

Certificate of Service

I hereby certify that I caused a true copy of the above document to be served upon the attorney of record for each other party on February 10, 2000.

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